FDI in Capital Goods Sector

1645. SHRI JANARDHANA POOJARY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government propose to allow FDI in Capital Goods Sector;

(b) if so, the details thereof;

(c) whether FDI is already permitted in commodity exchanges, aviation and petroleum sectors;

(d) if so, the details of the inflow of FDI in the Capital Goods sectors during the last three years; year-wise and sector-wise; and

(e) the FDI and other benefits expected to accrue through opening up of new Capital Goods sectors?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) and (b) Foreign Direct Investment (FDI) up to 100% is permitted on the automatic route in almost all manufacturing activities except Defence (where there is an equity cap and entry route restriction) and Cigarette manufacturing (where there is an entry route restriction).

(c) As per extant policy, FDI is permitted in the Petroleum and Natural Gas sector and Aviation sector. However, Government is considering the policy for FDI in the Commodity Exchange.

(d) A statement showing inflow of FDI in various sectors, including Capital Goods Sectors for last three years is convened (*See* below).

(e) FDI is means to supplement and complement domestic investment for achieving a higher level of economic development, providing opportunities for technological upgradation, access to global managerial skills and practices, optimal utilisation of human and natural resources, making Indian industry internationally competitive, opening up export markets, providing backward and forward linkages and access to international quality goods and services. FDI like any other investment not only brings in capital but also provides access to modern technology and best practices.

Statement

Sector-wise & Year wise FDI inflows from April 2003 to December 2006

(Amount in Rs. Crore)

Sl. No.	Sector	2003-04	2004-05	2005-06	2006-07	Total
			April- March		April-December	
1	2	3	4	5	6	7
1	Metallurgical Industries	146.06	880.95	680.84	678.11	2,385.96
2	Fuels (Power & Oil Refinery)	520.94	759.00	415.71	872.31	2,567.96
3	Boilers and Steam Generating Plants	0.20	2.34	0.00	14.98	17.52
4	Prime movers others than Electrical	0.00	0.25	0.00	0.00	0.25
5	Electricals Equipment (incl. S/W and Elect.)	2,449.32	3,280.58	6,499.06	6,546.38	18,775.35
6	Telecommunications	531.95	588.41	3,023.46	2,216.68	6,360.50
7	Transportation Industry	1,417.13	815.10	982.99	1,677.34	4,892.56
8	Industrial Machinery	13.93	40.74	187.52	73.95	316.13
9	Machine Tools	250.75	50.73	100.25	156.78	558.51
10	Agricultural Machinery	0.11	0.01	415.97	114.52	530.61
11	Earth-moving Machinery	0.05	0.47	231.30	4.58	236.40
12	Miscellaneous Mechanical & Engineering	100.07	56.73	226.21	230.34	613.33
13	Commercial, Office & Household Equipment	40.96	62.46	111.41	20.72	235.55
14	Medical and Surgical Appliances	9.26	24.05	6.72	7.89	47.92
15	Industrial Instruments	4.16	4.95	1.69	0.00	10.80
16	Scientific Instruments	0.07	0.14	0.45	0.34	1.00
17	Fertilizers	99.29	61.90	19.31	22.82	203.33
18	Chemicals (other than Fertilizers)	93.69	908.68	1,979.06	671.96	3,653.38
19	Photographic Raw Film and Paper	1.35	27.62	0.00	12.60	41.57
20	Dye-stuffs	2.00	5.42	0.00	0.00	7.42
21	Drugs and Pharmaceuticals	501.67	1,342.91	759.70	714.84	3,319.12

1	2	3	4	5	6	7
22	Textiles (include Dyed, Printed)	42.84	196.84	414.67	438.34	1,092.69
23	Paper and Pulp including Paper Product	31.68	12.41	122.90	22.57	189.57
24	Sugar	0.25	13.51	13.10	70.38	97.24
25	Fermentation Industries	7.82	41.64	28.57	19.87	97.90
26	Food Processing Industries	510.85	174.08	182.94	221.83	1,089.71
27	Vegetable oils and vanaspati	7.79	41.03	54.00	10.03	112.85
28	Soaps, Cosmetics and Toilet Preparations	0.00	4.09	388.49	1.76	394.34
29	Rubber goods	29.31	184.18	150.77	83.72	447.98
30	Leather, Leather goods and pickers	32.18	2.03	4.89	35.14	74.24
31	Glass	24.11	38.47	3.54	6.43	72.56
32	Ceramics	6.78	123.09	25.02	198.58	353.47
33	Cement and Gypsum Products	44.04	0.73	1,969.82	952.01	2,966.59
34	Timber Products	0.50	0.31	465.64	0.00	466.45
35	Defence Industries	0.00	0.24	0.00	0.00	0.24
36	Consultancy Services	257.13	1,166.83	206.44	487.49	2,117.89
37	Service Sector	1,235.27	2,105.53	2,565.04	17,328.58	23,234.43
38	Hotel & Tourism	226.80	168.85	315.59	753.21	1,464.46
39	Trading	104.66	65.72	123.43	364.70	658.51
40	Miscellaneous Industries	1,319.11	1,399.71	1,907.83	7,106.38	11,733.03
	GRAND TOTAL	10409.10	14652.72	24,584.37	42,138.15	91784.34

NOTE: 1. The Sector specific amount includes the Inflows received through SAI/ FIPB route, acquisition of existing shares and RBI's automatic route only. It excludes inflows through advances and stock swap.

2. Inflows through ADRs/GDRs/FCCBs, against FDI approvals have not been included.

3. Inflows Includes 'Equity Capital Components' only.